

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 10, 2013

GA2012-33

Bret Lane, Senior Vice President  
Southern California Gas Company  
Gas Operations and System Integrity  
555 W. Fifth Street, GT21C3  
Los Angeles, CA 90013

SUBJECT: General Order 112-E Audit of the Southern California Gas Company's Gas Storage facilities.

Dear Mr. Lane:

The staff of Safety and Enforcement Division (SED), formerly the Consumer Protection and Safety Division, of the California Public Utilities Commission conducted a General Order 112-E audit of Southern California Gas Company's (SoCalGas) Gas Underground Storage facilities on October 22-26, 2012. This audit included a review of records for Aliso Canyon Underground Storage, Goleta Underground Storage, Honor Rancho Underground Storage, Playa del Rey Underground Storage and Ventura Compressor Station for the period of January 2011 through August 2012, and field inspections of various gas transmission pipeline facilities.

SED staff did not find any probable violations during this audit. However, SED staff observed some potential issues. Please review the attached document "SoCalGas Underground Gas Storage Audit Observation Summary" which contains SED's observations. Please provide a written response within 30 days of your receipt of this letter indicating measures taken by SoCalGas to address the observations noted.

If you have any questions, please call Matthewson Epuna at (213) 576-7014 or Joel Tran at (213) 576-7094

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Robertson".

Michael Robertson, Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

cc: Joel Tran, SED/GSRB

## SoCalGas' Underground Gas Storage Audit Observations Summary

### October 22-26, 2012

#### A. Audit Observations Identified at Playa del Rey and other facilities

On October 23, 2012, SED staff conducted record reviews and field inspections of SoCalGas' Playa del Rey underground gas storage facilities. During the review of records, staff observed that SoCalGas was performing some of its operation and maintenance activities a few days before the due dates. It appears that the field crews were having difficulty in meeting the required operation and maintenance inspection deadlines. SED recommends that SoCalGas evaluate its operation and maintenance inspection workload and ensure that it has adequate and appropriate workforce to meet its regulatory operations, maintenance and inspections mandates.

SED is concerned that SoCalGas may lack adequate workforce in certain areas and may not have an adequate written quality control (QC) and quality assurance (QA) procedures to ensure that all necessary operations, maintenance, testing and inspection activities are performed in accordance with the applicable standards and regulations. SED staff strongly recommends that SoCalGas articulate, develop and implement a formal and adequate QC/QA program for all normal and abnormal operations, maintenance, testing and inspection activities and continually monitor its effectiveness in preventing non-compliances, minimizing workforce accidents and enhancing public safety. In addition, SoCalGas should implement rigorous QA oversight by performing scheduled and unscheduled QA assessments of design and installation processes, procedures, QC of operation and maintenance activities and document the results.

#### B. Audit Observations Identified in various Underground Storage facilities

SED observed that some of the field data gathered by SoCalGas' transmission workforce on a hardcopy "field report" may not have been completely transferred into its electronic work management system "Maximo", after the workforce completed the scheduled work or inspection activities. SoCalGas informed SED staff that some of the field report hardcopies were not available during the audit and instead it had to use the "Maximo" electronic copies during SED staff inspections.

Title 49 CFR, Part 192, § 192.709 Transmission lines: Record keeping states:

*"Each operator shall maintain the following records for transmission lines for the periods specified:*

*(a) The date, location, and description of each repair made to pipe (including pipe-to-pipe connections) must be retained for as long as the pipe remains in service.*

*(b) The date, location, and description of each repair made to parts of the pipeline system other than pipe must be retained for at least 5 years. However, repairs generated by*

*patrols, surveys, inspections, or tests required by subparts L and M of this part must be retained in accordance with paragraph (c) of this section.*

*(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer."*

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SED recommends that SoCalGas retain the original field reports or electronic reports that capture the complete field report data in accordance with the regulation.

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